

SENATE BILL 2503

By Miller J

AN ACT to amend Chapter 1022 of the Public Acts of 1988, relative to the authority of municipalities and counties to assess, levy and collect fair share impact fees from new growth and development in order to provide for an equitable program of public facilities financing.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Section 3, subitem (15) of Chapter 1022 of the Public Acts of 1988, is amended by deleting the language "or other operating costs." and by substituting instead the language "administrative costs or other operating costs."

SECTION 2. Section 4 of Chapter 1022 of the Public Acts of 1988, is amended by adding the following language as new subsections to be designated as follows:

(d) The provisions of this act take precedence over any private acts which authorize fair share impact fees. This act is the sole authority under which local governments may establish impact fee programs in Tennessee.

(e) Any ordinance or resolution adopted by a county or municipality to impose fair share impact fees shall be adopted by a two-thirds (2/3) majority of the legislative body.

(f) If a private act which imposes impact fees is in existence on the effective date of this act and such act is not in compliance with the provisions of Chapter 1022 of the Public Acts of 1988, as amended by this act, the legislative body of the county or municipality may amend such private act within eighteen (18) months of the effective date of this act to bring such private act in compliance with this act. Failure to take such action within such eighteen (18) month period shall render the private act null and void.

SECTION 3. Section 6 of Chapter 1022 of the Public Acts of 1988 is amended by deleting the language “reasonably attributable or reasonably related”, and by substituting instead the language “directly attributable or directly related”.

SECTION 4. Sections 11, 12, 13 and 14 of Chapter 1022 of the Public Acts of 1988 are amended by deleting the sections in their entirety.

SECTION 5. Chapter 1022 of the Public Acts of 1988 is amended by adding the following language as a new Section 10, renumbering subsequent sections accordingly:

SECTION 10. An Impact Fee Advisory Committee shall be created in the ordinance or resolution of each county or municipality which imposes fair share impact fees. At least forty percent (40%) of the membership of such committee shall be comprised of persons who represent the real estate building or development industries.

SECTION 6. Section 8(a) of Chapter 1022 of the Public Acts of 1988 is amended by deleting the first sentence in its entirety, and by substituting instead the following language:

All fair share impact fees imposed pursuant to this act shall be assessed in full at the time the building permit is issued and collected in full at conveyance of the title to the property if the property is sold or at the issuance of the certificate of occupancy or other final intended use of a structure or part thereof if the property is not sold.

SECTION 7. This act shall take effect July 1, 1996, the public welfare requiring it.